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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/202,424	02/19/1999	HERVE ORUS	G-41	2885

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EXAMINER

TREMBLAY, MARK STEPHEN

ART UNIT PAPER NUMBER

2876

DATE MAILED: 03/12/2002

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

09/202,424

Applicant(s)

ORUS ET AL.

Examiner

Mark Tremblay

Art Unit

2876

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133).
- Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 12/19/01.
- 2a) ☐ This action is **FINAL**. 2b) ☒ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1, 26, 28-34 and 36-41 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1, 26, 28-34, and 36-41 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
- Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
- 11) ☐ The proposed drawing correction filed on _____ is: a) ☐ approved b) ☐ disapproved by the Examiner.
- If approved, corrected drawings are required in reply to this Office action.
- 12) ☐ The oath or declaration is objected to by the Examiner.

Priority under 35 U.S.C. §§ 119 and 120

- 13) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
2. ☐ Certified copies of the priority documents have been received in Application No. _____.
3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
- * See the attached detailed Office action for a list of the certified copies not received.
- 14) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. § 119(e) (to a provisional application).
- a) ☐ The translation of the foreign language provisional application has been received.
- 15) ☐ Acknowledgment is made of a claim for domestic priority under 35 U.S.C. §§ 120 and/or 121.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449) Paper No(s) _____
- 4) ☐ Interview Summary (PTO-413) Paper No(s). _____
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other:

Continued Prosecution Application

The request filed on 12/19/01 for a Continued Prosecution Application (CPA) under 37 CFR 1.53(d) based on parent Application No. 09/202,424 is acceptable and a CPA has been established. An action on the CPA follows.

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Claim Rejections - 35 USC § 103

The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

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(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

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This application currently names joint inventors. In considering patentability of the claims under 35 U.S.C. 103(a), the examiner presumes that the subject matter of the various claims was commonly owned at the time any inventions covered therein were made absent any evidence to the contrary. Applicant is advised of the obligation under 37 CFR 1.56 to point out the inventor and invention dates of each claim that was not commonly owned at the time a later invention was made in order for the examiner to consider the applicability of 35 U.S.C. 103(c) and potential 35 U.S.C. 102(f) or (g) prior art under 35 U.S.C. 103(a).

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Claims 1, 26, 28-34, and 36-41 are rejected under 35 U.S.C. § 103 as being unpatentable over U.S. Patent #5429,361 to Raven et al. ("Raven" hereinafter) in view of US Patent #5,451,756 to Holzer et al. Raven teaches a method having the following steps, during a gambling operation:

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reading data stored in a gambling card, particularly an identification number of the card and data representing the value units debited/credited initially and during the preceding gambling operations (see particularly column 10, line 38 - column 11, line 62), characterized by the following steps:

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electronically securing (see column 10, lines 14-15 and line 56) and exchanging data between the machine and a database of the central processing unit by means linking the secured network, particularly data representing the balance of the value units and the identification number of the card; and

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updating data at least twice during each use of the card (see column 11, lines 36-37) in a gambling playing session and then checking that the data stored in the gambling card correspond

(lines 47-63) to the data in the database in order to monitor the integrity of a system constituted by such a card, such a machine, the network, and the central processing unit.

On the point of the "secured network" it is not clear whether the examiner should interpret this to mean that encryption is used to protect the network (which is one reasonable industry-accepted interpretation) or whether to interpret any nominal mention of electronic security in Raven as meeting the bare recitations of security in claims 1 and 26. Assuming that it is determined that the interpretation should be the latter, Examiner's position is that the claims remain unpatentable because a "secured network" is an obvious adaptation of the teachings of Raven. Official Notice is taken that secured networks are old and well known in the art. See In Re Malcolm 1942 C.D.589:543 O.G. 440. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to use a secured network with the Raven et al system, because this would protect the system from any unauthorized tampering with signals traveling between the Mastercom and the main computer, preventing theft of assets. Since Raven mentions security as a primary function of Mastercom (col. 2, line 48), this use is clearly suggested by the reference to a person of ordinary skill in the art who is well aware of the existence of secured networks. Were the secured networks not already reduced to practice, the Applicant's own disclosure would have been required to present voluminous details to enable the invention.

It is also unclear whether Raven clearly teaches updating the card at least twice during a gambling session. This, however, is a well known feature of many other stored value card systems. Typically, there is some concern that an unethical user will take advantage of a card transaction (e.g. receive a vended product, or pay a bill), but disable the machine from updating the card to reflect the transaction. This is done in a myriad of ways, invented by many criminally creative individuals. A machine may be unplugged before update. A machine may be blocked from contacting one of the contacts on a smart card, e.g. using adhesive tape on a selected metal contact, preventing updates. A tether may be affixed to a card, so that it may be yanked from the machine at any time to interfere with writing to the card. The eject button may be pressed at the anticipated time of updating. Other unauthorized methods are well known in the art. Solutions are also myriad. One includes writing all data twice, particularly balance data, so that if a machine

is unplugged during a write procedure, it may be immediately ascertained, because the double-entry values will not match. This is an old and well known method. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to update the card twice during each gambling session as taught in Raven, because otherwise a user could unplug the machine and retrieve the card forcibly, using a tether, if a gambling session resulted in a net loss. This would prevent knowledgeable users from gambling, and pulling their cards from the machine if the session went poorly. Even if the machine was merely unplugged, upon reboot, the machine would not realize the card had not been updated, and the gambler would have avoided a loss, thus assuring only net gains are recorded on the card.

The obviousness of updating the card at least twice during a gambling session may also be inferred directly from the Raven invention. Raven teaches that "Each bet is subtracted (debited) from his card, and any wins are added (credited) to his card." (col. 11, line 36-38). The most straightforward interpretation of this is that the card is debited or credited after each bet.

However, Raven teaches a few lines down that the smart card is mechanically locked into place, and when the player requests that the card be ejected, "At this time, the card balance is updated, and the new balance is sent to the MASTERCOM 14." From this passage, it is unclear exactly where the card balance is updated. Is Raven referring to the balance stored on the card, in the DMK unit 12, or in the MASTERCOM 14? For determining obviousness, it does not matter. With the teaching above that "Each bet is subtracted (debited) from his card, and any wins are added (credited) to his card," it is obvious to update the balance stored on the card after each bet. If one assumes that the mechanical lock is an alternative or improvement to avoid updating the card after each bet, it would still be obvious to leave off the lock and this avoidance function.

In addition, in a brief disclosure, Holzer teaches the continuous update of the central computer. Here, it is seen that while it might be assumed to be sufficient to update the central computer upon insertion of the card, and again upon removal of the card, the update of the central computer "continuously" is seen as a worthwhile measure against fraud. By strictly parallel analogy, while it might be assumed to be sufficient to update the balance on the card upon insertion of the card, and again upon removal of the card, the update of the balance on the card "continuously" would obviously be seen as a worthwhile measure against fraud. It would have

been obvious at the time the invention was made to a person having ordinary skill in the art to update the card continuously in the Raven invention as suggested by analogy to Holzer because this would be an additional effective measure against fraud such as a defeat of the mechanical mechanism locking the card in place.

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Re claims 28-29 and 40-41, see the discussion of writing each value twice. This same logic applies to writing twice, once locally and once centrally.

Re claims 30-34, and 38-39 the claims correspond to at least two notoriously well known encryption systems. Official Notice is taken that public key cryptography and DES, including the use of secret keys, and security modules which calculate authentication certificates (in each type of system) is old and well known in the art. See In Re Malcolm 1942 C.D.589:543 O.G. 440. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to use public key cryptography or DES to secure the financial transactions taught in Raven. It would have been obvious at the time the invention was made to a person having ordinary skill in the art to use a known security module to calculate authentication certificates to authenticate the gambling card's certificate.

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Re claim 37, this is a standard smart card function, found in text books on smart cards.

Response to Arguments

Applicant's arguments filed 12/19/01 (upon entry of the CPA) have been fully considered but they are not persuasive.

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Applicant's arguments with respect to the continuous updating of the card balance have been addressed above.

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With respect to Applicant's position that Applicant "is not aware of any official notice involving certificates and the use of certificates in this gambling machine environment," Examiner finds that the restriction of the applicability of the artisan's common knowledge to the "gambling machine environment" to be unreasonably arbitrary. The skilled artisan working on smart card systems does not jettison all knowledge of smart cards gleaned from other smart card applications when the artisan engineers a "gambling machine" smart card system. A gambling machine

performs financial transactions with the same requirements for accuracy, security, accountability and identity as required of ATM machine smart card applications, electronic purse smart card applications, wireless telephone smart card applications, et cetera. By way of analogy, a skilled artisan designing a magnetic stripe credit card system for gambling would draw on knowledge
5 gleaned from designing magnetic stripe credit card systems for banks, vending machines, telephones, et cetera.

For similar reasons, Applicant's argument that "there is no official notice on the point of certificates as used in applicant's invention as claimed here. For example, to generate certificates for each change of value of the card and exchanging it with the central data processor," is also
10 seen as unreasonably arbitrary. Applicant appears to be requiring that Examiner take official notice on the claimed invention as a whole, rather than what is commonly known in the art. If this approach is not limited to reasonable bounds, then short of the examiner taking Official Notice on the entire claim, Applicant could always argue that the Official Notice is not particular enough to the "field of the invention" where the field of the invention is more particular to the
15 claim than the scope of the official notice. Applicant's disregard of the Official Notice on the basis that it is not particular enough to the claim language to meet Applicant's arbitrary threshold for specificity of the field of the invention is not persuasive.

Voice

20 Inquiries for the Examiner should be directed to Mark Tremblay at (703) 305-5176. The Examiner's regular office hours are 10:30 am to 7:00 pm EST Monday to Friday. Voice mail is available. If Applicant has trouble contacting the Examiner, the Supervisory Patent Examiner, Michael Lee, can be reached on (703) 305-3503. Technical questions and comments concerning
25 PTO procedures may be directed to the Patent Assistance Center hotline at 1-800-786-9199 or (703) 308-4357.


MARK TREMBLAY
PRIMARY EXAMINER

March 11, 2002